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STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM NSC FOR NEA STAFF

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CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD LONDON ALSO FOR HKANONA AND POL PARIS ALSO FOR POL ROME FOR MFO

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E.O. 12958: N/A TAGS: <u>OPRC KMDR IS</u>

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

¶1. Mideast

¶2. Iran

Key stories in the media:

Israel Radio reported that Israeli officials are concerned about

Secretary of State Condoleezza Rice possibly influencing the speech

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President Bush is slated to deliver on the Middle East in three weeks. The radio said that the officials fear that Secretary Rice will mold the speech to Israel's disadvantage.

Yediot and other media reported that Transportation Minister Shaul Mofaz, who is in charge of the strategic dialogue with the US, as telling Secretary of State Condoleezza Rice in Washington that Hizbullah has acquired from Syria and Iran missiles capable of reaching Beersheva. Israel Radio quoted Mofaz as saying that Mofaz ruled out a military operation against Iran. The radio cited criticism hurled by senior Israeli diplomats at the Washington embassy at Mofaz over his alleged remarks on striking Iran. Speaking on Israel Radio this morning, Mofaz said that he had mentioned that military action against Iran was the last option.

Both Ha'aretz and The Jerusalem Post led with stories relating to the issue of arms shipments to Fatah. Ha'aretz reported that senior Fatah officials in the Gaza Strip have asked Israel to allow them to receive large shipments of arms and ammunition from Arab countries, including Egypt. Ha'aretz quoted the group as saying that it needs the weapons to counter attacks by Hamas, which has an overwhelming advantage in the Gaza Strip. Israel has not officially responded to the request, which includes dozens of armored cars (currently in Egypt), hundreds of armor-piercing RPG rockets, thousands of hand grenades and millions of rounds of ammunition for small caliber weapons. Ha'aretz quoted sources as saying that, in addition, Fatah is organizing yet another paramilitary force in the Gaza Strip. The Jerusalem Post reported that Israel is considering authorizing the transfer of millions of bullets and thousands of Kalashnikov rifles from Egypt to forces in the Gaza Strip loyal to PA Chairman [President] Mahmoud Abbas. The Jerusalem Post reported that high-ranking Israeli defense officials told the newspaper on Wednesday that security chiefs in Abbas's office passed on a "weapons shopping list" to Gen. Keith Dayton, the US security coordinator to Israel and the Gaza Strip, in the middle of May. officials were quoted as saying that Dayton then passed the list on to the Egyptians, who would need to provide the arms and ammunition, as well as to Israel's Defense Ministry, which would need to authorize the transfer. The defense officials were quoted as saying that Dayton personally recommended that Israel permit the weapons supply. The Jerusalem Post noted that two weeks ago, in testimony before the House Subcommittee on the Middle East in Washington, Dayton stressed the importance of American efforts to bolster forces loyal to Fatah. He said further help was necessary.

Maariv reported that five million Israelis do not have gas mask kits. According to the newspaper, only every fourth Israeli will be protected in case a war breaks out.

Leading media quoted former PM Ehud Barak as saying on Wednesday that a Labor Party under his leadership would leave the government should Olmert not resign.

Ha'aretz and other media quoted Palestinian sources as saying that the meeting between PM Olmert and PA Chairman Abbas was canceled over a disagreement on Palestinian tax revenues collected by Israel. However, Ha'aretz quoted Israeli sources as saying that the main reason for the cancellation is Abbas's failure to secure a cease-fire agreement in his talks with rival Palestinian factions. Yediot quoted GOI sources as saying that Abbas's move is only a pretext and that he does not have the means to "deliver the goods."

Leading media quoted PM Olmert as saying at a military briefing he held on Wednesday that Israel was interested in reaching a peace agreement with Syria. Olmert called for the renewal of direct negotiations with the Syrian regime. "Israel does not wish to engage in war with Syria, and the scenario of miscalculation must be avoided, as it will bring about a deterioration in security," the concluding statement of the briefing read.

Leading media reported that IDF troops killed two Palestinians, including a 67-year-old man in two separate incidents, on Wednesday. The troops also severely wounded the man's 65-year-old wife. Palestinian militants fired at least three Qassam rockets and six mortar shells into Israel from Gaza, causing no casualties or

Ha'aretz reported that Palestinian residents intend to sue Israel for damages in US courts and in other countries if the Knesset again passes a law barring suits in Israeli courts over damages incurred in non-warfare incidents. Palestinians with grounds for suits against the Israeli army over bodily harm and property damage sustained during the armed conflict since September 2000 have already contacted American law firms through Adalah - the Legal Center for Arab Minority Rights in Israel. US law permits suits against countries responsible for "humanitarian damages" in situations where the victims have no legal recourse in the offending country.

The Jerusalem Post printed an AP wire report quoting Israel's Ambassador to the US, Sallai Meridor, as saying on Wednesday that Iran has not yet crossed the threshold of being able to make nuclear weapons, but that this might be no more than two years away. The Jerusalem Post quoted several Republican presidential candidates, among them front-runner Rudy Giuliani, as saying during a CNN debate on Wednesday that they would consider using tactical nuclear weapons to prevent Iran from obtaining nuclear weapons.

Ha'aretz and Yediot reported that the British Minister of State for Higher Education and Lifelong Learning, Bill Rammell, will arrive in Israel on Sunday to discuss the plan by the main British union of university teachers to boycott Israeli institutions. Ha'aretz, Yediot, and Maariv reported that on Wednesday PM Ehud Olmert spoke with British PM Tony Blair, who condemned calls for an academic boycott of Israel. Blair said they are not representative of British public opinion nor of British universities. Ha'aretz and Yediot also reported that the British Chancellor of the Exchequer, Gordon Brown, who is expected to be the next British PM, is appointing the UK's former ambassador to Israel, Simon McDonald, as his chief foreign policy adviser. Ha'aretz wrote that political sources in Jerusalem expressed their satisfaction with the candidate, describing McDonald as "a friend to Israel."

Major media reported that the Shas Council of Torah Sages will convene tonight at Shas mentor Rabbi Ovadia Yosef's home in Jerusalem to decide whom the party will endorse in next Wednesday presidential election.

Ha'aretz and The Jerusalem Post reported that anti-Semitism and hate crimes rose last year in several places throughout Europe, according to a report released on Wednesday by the American advocacy group Human Rights First. The report was published ahead of an international conference to open in Bucharest today, sponsored by the Organization for Security and Cooperation in Europe. Avraham Burg, former Knesset speaker and former head of the Jewish Agency, was quoted as saying in an interview in Ha'aretz that "to define the State of Israel as a Jewish state is the key to its end. A Jewish state is explosive. It is dynamite." Burg was also quoted as saying that he is in favor of abrogating the Law of Return and calling on everyone who can to obtain a foreign passport.

Leading media reported that Ben Gurion Airport traffic controllers have canceled a strike they planned for today in protest against electronic interference by pirate radio operators. It is feared that the electronic interference could cause an aviation disaster. The situation is still volatile.

Major media noted that the rate of the US dollar has climbed by 4 percent on the Tel Aviv money market over the past three weeks, reaching 4.12 shekels on Wednesday.

A poll commissioned by Ha'aretz and carried out by Prof. Camil Fuchs's Dialog Institute found that, in the contest for Labor Party leadership, MK Ami Ayalon would obtain 47 percent of the votes of registered Labor Party members. Former PM Ehud Barak would receive 43 percent. Ha'aretz wrote that this is, in fact, a neck-and-neck race.

Maariv printed the results of a TNS/Teleseker Polling Institute survey showing both Ayalon and Barak garnering 45 percent of the votes in the Labor primaries. However, after analyzing the "floating votes," this poll found that Ayalon would overcome Barak, 52 percent by 48 percent.

11. Mideast:

Summary:

Op-Ed Page Editor Ben-Dror Yemini wrote in the popular, pluralist Maariv: "Bush assumes, or at least hopes, that Hamas is on its way out."

Senior columnist and chief defense commentator Zeev Schiff wrote on page one of the independent, left-leaning Ha'aretz: "The threats of war that Israel and Syria are slinging at each other have a positive side."

Isi Leibler, a veteran conservative international Jewish leader who was for many years head of the Australian Jewish community, wrote in the conservative, independent Jerusalem Post: "We can only hope that in the years to come, other statesmen may emerge who will replicate the courageous and principled stance toward us as exemplified by [Australian] Prime Minister John Howard."

Block Quotes:

¶I. "Is Democracy Winning?"

Op-Ed Page Editor Ben-Dror Yemini wrote in the popular, pluralist Maariv (6/7): "Bush did not need the remarks made [by attendees] at [this week's] Prague conference to know that his concept of democratization is lame and even bleeding. He should be thanked for not having dodged the tough questions... Some claim that stability is preferable to democracy. Bush said that democracy is not always implemented the way we want it to be. He further commented that democracy is not only ballots.. Democracy is also a civil society, the rule of law, and more. In order to remain in power, leaderships must reach peace. Thus, Bush assumes, or at least hopes, that Hamas is on its way out."

II. "Threats' Silver Lining"

Senior columnist and chief defense commentator Zeev Schiff wrote on page one of the independent, left-leaning Ha'aretz (6/7): "The threats of war that Israel and Syria are slinging at each other have a positive side. Finally, the Israeli public will know the truth: Is Israel's leadership willing to make painful territorial concessions on the Golan Heights? And, is there any basis to the message Jerusalem sent to Damascus about its genuine intentions to negotiate? Israel will also know more. It will know what all its intelligence branches have not been able to decipher, namely, what Bashar Assad's intentions are. Israel will be able to understand better what Assad is willing to forgo, in terms of the support Syria gives the terrorist organizations operating against Israel, and how far he is willing to distance himself from Syria's strategic ties with Iranian President Mahmoud Ahmadinejad. The precondition for this is that Israel should not be deterred from dialogue with the Syrians: both in the form of a direct exchange, and also within the framework of the Arab League proposal... Israel's intelligence

knows a great deal about what is going on in Syria, but the impression is that it lacks sufficient information about what Bashar Assad thinks and says to his aides and military commanders -- and what the Alawi minority leadership, which controls Syria, is saying in view of the possibility that a war may bring an end to its rule."

III. "John Howard: Champion For Israel"

Isi Leibler, a veteran conservative international Jewish leader who was for many years head of the Australian Jewish community, wrote in the conservative, independent Jerusalem Post (6/7): "Australian Prime Minister John Howard recently received a standing ovation at a Jewish community event, reflecting the admiration felt throughout the Jewish world for his courageous support for Israel. Unfortunately, the polls are predicting that ... the

it's-time-for-a-change syndrome could defeat him.... This is not to suggest that Howard's predecessors were unfriendly.... While most of the world turned fiercely against Israel after the Intifada, Howard's support for Israel intensified.... We can only hope that in the years to come, other statesmen may emerge who will replicate the courageous and principled stance toward us as exemplified by Prime Minister John Howard."

Summary:

The conservative, independent Jerusalem Post editorialized: "Time ... is running out to stop Iran's nuclear program. Yet there is little palpable sense of urgency as Western leaders meet in Germany."

Block Quotes:

"Divest From Iran"

The conservative, independent Jerusalem Post editorialized (6/7): "Time ... is running out to stop Iran's nuclear program. Yet there is little palpable sense of urgency as Western leaders meet in Germany. This is illustrated by the fact that global warming, a threat which even its more alarmist advocates measure mainly in decades or centuries, seems to be higher on the summit agenda.... Though another Security Council resolution could be the vehicle, what is necessary is decisive action, with or without further resolutions. Iran's two biggest investors and refined oil suppliers are Western companies: France's Total and Netherlands-based Royal Dutch-Shell. If these and other Western companies shut down their operations, it would quickly become clear that it is Iran, not the West, that will ultimately be forced to back down. If this sounds extreme, then it is clear that the alternative scenarios are not being taken seriously, and talk of a nuclear Iran being 'unacceptable' is just talk. The truth is, if sanctions are allowed to fail, the alternatives will get worse and worse, and all will lead inexorably -- as did the rise of fascism in the last century -to an increasingly costly military confrontation.

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